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# DICKENSON MINES

L I M I T E D



## 1964

20th. Annual Report





REGISTRAR AND  
TRANSFER AGENTS



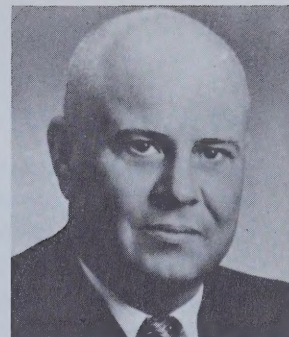
## SUMMARY OF OPERATIONS

### THE DICKENSON MINE

|   | 1964        | 1963        | 1962        | To Date      |
|---|-------------|-------------|-------------|--------------|
| TONS ORE MILLED .....                                 | 177,874     | 178,527     | 175,767     | 2,214,779    |
| Daily average .....                                   | 486         | 489         | 482         | 379          |
| Grade ounces per ton (Millheads) .....                | 0.560       | 0.554       | 0.559       | 0.547        |
| PRODUCTION:   |             |             |             |              |
| Value less marketing charges .....                    | \$3,428,711 | \$3,458,468 | \$3,387,667 | \$38,097,446 |
| Ounces gold .....                                     | 91,244      | 91,709      | 90,522      | 1,085,005    |
| Per ton milled .....                                  | \$19.28     | \$19.37     | \$19.27     | \$17.20      |
| Value received per ounce .....                        | \$37.58     | \$37.71     | \$37.55     | \$35.11      |
| EMERGENCY GOLD MINING ASSISTANCE .....                | \$ 242,547  | —           | —           | \$ 1,879,447 |
| Per ton milled to which aid applies                   |             |             |             |              |
| (1949-1956, 841,172 tons)                             |             |             |             |              |
| (1964- 177,874 tons) .....                            | \$1.364     | —           | —           | \$1.844      |
| TOTAL REVENUE FROM ALL SOURCES .....                  | \$3,685,941 | \$3,507,288 | \$3,484,959 | \$40,316,577 |
| Per ton milled .....                                  | \$20.72     | \$19.65     | \$19.83     | \$18.20      |
| CASH FLOW — Profit before depreciation and write-offs | \$1,086,083 | \$1,055,310 | \$1,340,595 | \$14,474,419 |
| Per ton milled .....                                  | \$6.11      | \$5.91      | \$7.63      | \$6.54       |
| Per share .....                                       | \$0.31      | \$0.30      | \$0.38      | \$4.12       |
| NET PROFIT .....                                      | \$ 857,735  | \$ 826,924  | \$1,134,877 | \$ 8,235,105 |
| Per ton milled .....                                  | \$4.82      | \$4.63      | \$6.46      | \$3.72       |
| Per share .....                                       | \$0.24      | \$0.24      | \$0.32      | \$2.35       |
| DIVIDENDS — 1953 to 1964 inclusive .....              | \$ 982,895  | \$ 912,688  | \$ 631,861  | \$ 5,758,856 |
| Per share .....                                       | \$0.28      | \$0.26      | \$0.18      | \$1.82       |
| ORE RESERVES — tons at end of year .....              | 589,230     | 591,369     | 576,717     | —            |
| Grade — ounces per ton .....                          | 0.538       | 0.507       | 0.515       | —            |
| NO. OF EMPLOYEES .....                                | 284         | 290         | 290         | —            |
| SHAREHOLDERS .....                                    | 4,488       | 4,151       | 4,240       | —            |



## PRESIDENT'S REPORT TO SHAREHOLDERS



ARTHUR W. WHITE

On behalf of the Board of Directors I am pleased to present our Twentieth Annual Report. Important progress was made by your company.

Performance during 1964 was notable — production of gold and its value were both within one percent. of 1963, the highest in Dickenson's history — dividends declared and paid, amounted to more than any previous year — net profit was the second largest ever earned by the company.

Dickenson qualified for Emergency Gold Mining Assistance in 1964. Revenue from this source is estimated at \$242,547.

Violamac Mines Limited, principally through its subsidiary company, Kam-Kotia Porcupine Mines Limited, again operated at a profit. A copy of the Annual Report of Violamac is being forwarded to the shareholders of Dickenson.

### DIVIDENDS AND EARNINGS

In 1964 the company declared dividends totalling \$982,895, equivalent to 28¢ per share. This compares with 26¢ per share in 1963.

Net profit was \$857,735 — 24¢ per share — \$30,811 more than the net profit of \$826,924 earned in 1963.

### MINING OPERATIONS

1964 production consisted of 91,244 ounces of gold and 7,007 ounces of silver having a value

of \$3,453,365. 177,874 tons of ore were milled. Corresponding results for 1963 were 91,709 ounces of gold and 7,926 ounces of silver having a value of \$3,476,071 from 178,527 tons milled. Millheads in 1964 graded 0.560 ounces per ton compared with 0.554 ounces per ton in 1963.

### EXPLORATION AND DEVELOPMENT

In his report, the General Manager has presented a comprehensive description of exploration and development of the mine.

Your mine is now entering a new phase in its history. With the sinking of the internal shaft, known as the No. 2 shaft, a whole new area of the mine will be accessible. An extensive geological study of the character of your mine indicates that the orebodies can be expected to extend to great depth. Our experience in the development of the first twenty-three levels from the No. 1 shaft is remarkable in that the average grade of ore has been maintained above 0.50 ounces of gold per ton.

The company's outside exploration department examined and reported upon 34 properties during the year. Dickenson also acquired an undivided 70% interest in the mining property owned by Consolidated Brewis Minerals Limited which is adjacent to and northeast of the Dickenson property.

## **ORE RESERVES AND MINE PLANNING**

Positive ore reserves at December 31, 1964 were 589,230 tons grading 0.538 ounces per ton. This compares favorably with reserves at December 31, 1963. Details as to the locations of these reserves appear in the General Manager's report.

The company is concentrating in 1965 on development of the four bottom levels. In the first quarter of 1965, this program has succeeded in opening up 537 feet of ore grading 0.51 ounces per ton over a width of 6 feet. Exploration of the new "J" zone (see map of property for location) commenced recently, and diamond drilling on the twenty-second level indicates extension of the "J" zone to that horizon. This ore occurrence could well be of major importance to the company.

Ore reserves will be maintained at their present level in 1965.

## **VIOLAMAC MINES LIMITED**

Dickenson's investment in Violamac Mines Limited did not change in 1964.

Violamac continues to hold:— a 96¼% interest in Kam-Kotia Porcupine Mines Limited which operates a profitable copper property in the Timmins area;— a 100% interest in Cobalt Refinery Limited which operates the only custom silver refinery in the Cobalt-Gowganda silver mining area of Ontario;— 465,009 shares of Dickenson Mines Limited.

Consolidated net income for 1964 of Violamac Mines Limited and its subsidiary companies amounted to \$247,107. The decrease in profit earned by Violamac and its subsidiaries is primarily due to the completion of shaft sinking and an extensive underground development program performed at the Kam-Kotia mine.

## **TUNDRA GOLD MINES LIMITED**

Milling started on April 1, 1964 at the Tundra property in the Northwest Territories. In its first nine months of production Tundra earned an estimated profit from operations of \$136,000 after Emergency Gold Mining Assistance but before depreciation and amortization. Grade of ore

milled has been disappointing because of excessive dilution. Costs were lower than anticipated, and mill performance has come up to expectations. Although the mill was designed for a capacity of 125 tons per day, it is known now that it is capable of treating up to 160 tons per day. Tundra plans to increase its milling rate to 150 tons per day in the near future which will create a more efficient operation and lower costs.

## **ROBIN RED LAKE MINES LIMITED**

The property owned by Robin Red Lake Mines Limited is being developed by drifting and diamond drilling from the twenty-third level of the Dickenson property in the East South "C" area. At the end of the year the drift had penetrated the Robin property for a distance of 370 feet in which a 73 foot length of ore, grading 0.69 ounces per ton across a width of 7.5 feet, was developed.

## **CRAIBBE-FLETCHER GOLD MINES LIMITED**

Dickenson's share participation in Craibbe did not change during the year, and there are no new developments to report with respect to the Craibbe property in the Red Lake district.

In June, 1964, Craibbe acquired an option to purchase 15 unpatented mining claims in Turnbull Township, Timmins area, Ontario, approximately 6 miles southwest of the Kam-Kotia mine. In October the company completed a Turam electromagnetic survey. Results were disappointing, but the claims are being maintained in good standing and will be examined again if such action should be warranted by future developments, either on the property or in the area.

## **OTHER INTERESTS AND INVESTMENTS**

Your attention is directed to the investment chart and the maps appearing elsewhere in this report which present the company's major holdings and interests in a more informative manner than a descriptive paragraph.

In July, Penobscot Mining Company Limited, in which Dickenson holds a major interest, entered into an agreement with Callahan Mining Corporation, a substantial company actively en-



gaged in the mining and exploration field in the United States, whereby Callahan may develop Penobscot's copper-zinc orebodies near Harborside, Maine, U.S.A. Drifting and drilling underground currently is in progress to measure and expand the previously known copper and zinc mineralization.

## OUTLOOK

The Dickenson mine is in excellent condition and the company is in a position to benefit from an increase in the price of gold.

## PERSONNEL AND STAFF

It is with pleasure that we announce the transfer of Mr. F. A. Fell, the General Manager of the company, to its executive office. Mr. Fell's experience in mine operating will be of great benefit in the administration and direction of your company's many mining activities.

Administration at the mine office is under the capable direction of Mr. J. Gillis as Mine Manager; Mr. D. C. Rance, Assistant Mine Manager; Mr. M. E. Crull, Chief Engineer, and Mr. W. Parry, Mine Superintendent.

## APPRECIATION

In recognition of our twentieth anniversary and in appreciation of the efforts of those employees who have worked hard and loyally for the company, your directors approved the granting to thirty-three employees of options to purchase a total of 39,660 treasury shares of the company at a price of \$4.75 per share at any time prior to June 30, 1967.

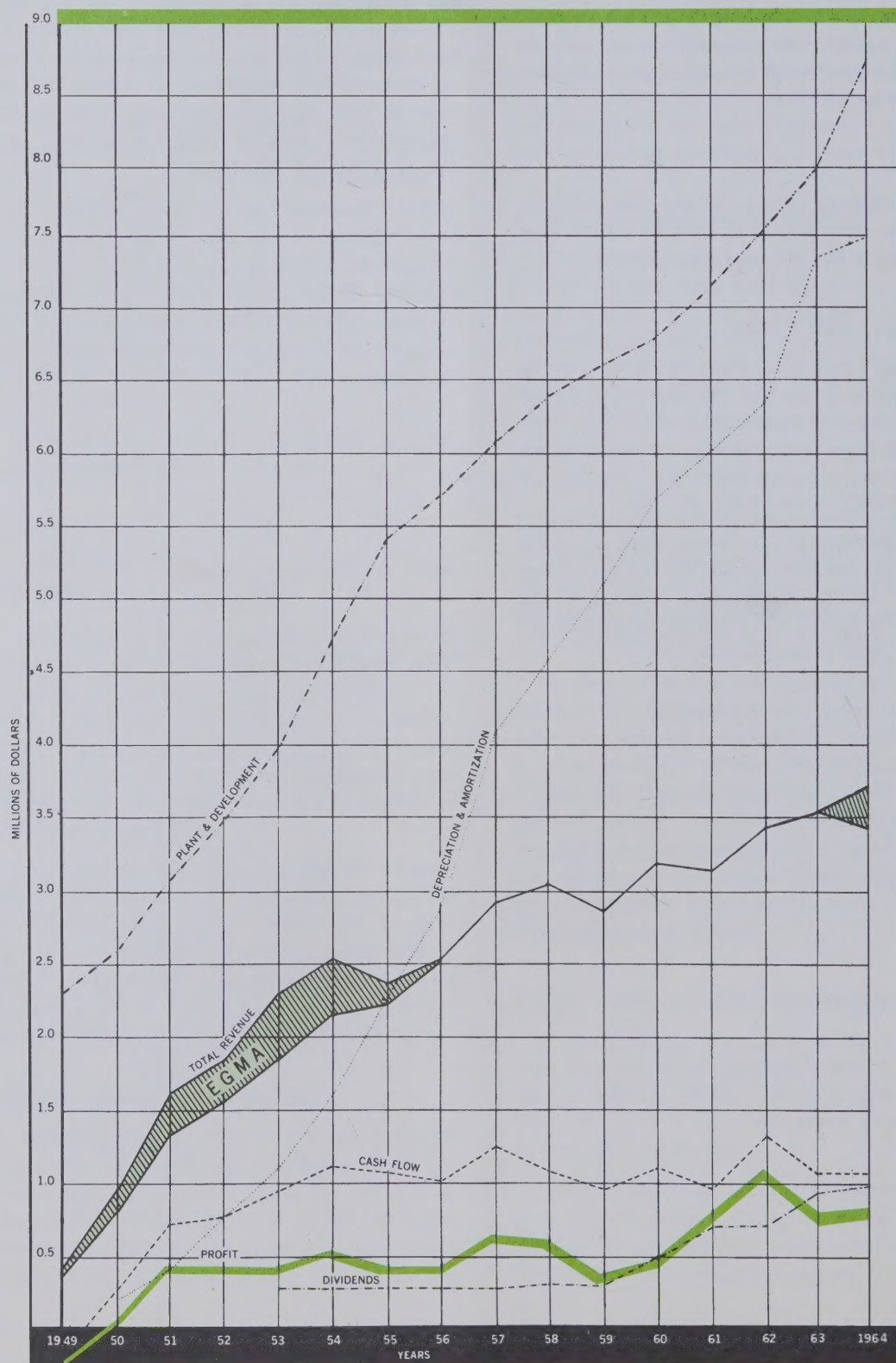
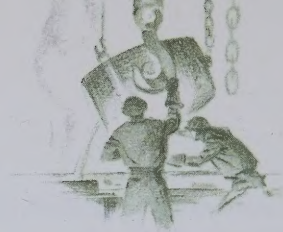
Your directors sincerely appreciate the continued support of the shareholders, and it is a pleasure for me personally, and on behalf of the directors, to extend our thanks to the General Manager, department heads, and employees, who have worked so efficiently and effectively throughout the year.

On behalf of the Board,

A. W. WHITE,  
President.

April 14, 1965.

# RECORD OF OPERATIONS





# DICKENSON MINES LIMITED

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## AUDITORS' REPORT

To the Shareholders,  
Dickenson Mines Limited,  
TORONTO, Canada.

We have examined the attached Balance Sheet of DICKENSON MINES LIMITED as at 31st December, 1964, together with the Statements of Operations and Earned Surplus for the year ended on that date. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion the accompanying Balance Sheet and related Statements of Operations and Earned Surplus present fairly the financial position of the Company as at 31st December, 1964, and the results of its operations for the year ended on that date, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

We have also examined the related Statement of Source and Disposition of Funds which, in our opinion, presents fairly the sources and dispositions of funds of the Company for the year ended 31st December, 1964

McDONALD, NICHOLSON & CO.,

Chartered Accountants.

TORONTO, 23rd February, 1965.

# DICKENSON MINES LIMITED

(Incorporated under the Laws of the Province of Ontario)  
(With comparative balances at 31st December, 1963)

## ASSETS

|   | 1964               | 1963               |
|---|--------------------|--------------------|
| <b>Current Assets:</b>  |                    |                    |
| Cash on Hand and in Banks .....   | \$ —               | \$ 107,569         |
| Bullion on Hand and in Transit, at net realizable value .....                                   | 464,090            | 135,555            |
| Estimated amount receivable under The Emergency Gold Mining Assistance Act .....                | 69,327             | —                  |
| Accounts Receivable and Accrued Interest .....  | 164,445            | 222,761            |
| Prepaid Expenses .....  | 24,366             | 21,190             |
|   | <u>722,228</u>     | <u>487,075</u>     |
| Investments, at cost less Reserve (at cost in 1963) (Summary attached) .....                    | <u>1,718,884</u>   | <u>1,847,655</u>   |
| <br>Interest in Affiliated Companies (Note 5), at cost less Reserve<br>(Summary attached) ..... | <br>3,848,511      | <br>3,883,819      |
| Stores and Supplies, at average cost .....  | <u>386,951</u>     | <u>372,205</u>     |
| <br><b>Fixed Assets, at cost:</b>   |                    |                    |
| Buildings, Machinery and Equipment .....  | 4,874,067          | 4,637,224          |
| Less: Accumulated Depreciation .....  | <u>4,158,464</u>   | <u>3,940,678</u>   |
|   | 715,603            | 696,546            |
| Mining Claims .....   | 264,227            | 264,227            |
| Townsite Lots .....   | 93,784             | 82,738             |
|   | <u>1,073,614</u>   | <u>1,043,511</u>   |
| <br><b>Other Assets and Deferred Charges:</b>   |                    |                    |
| Interest in and Expenditures on Outside Mining Properties .....                                 | 771,225            | 460,305            |
| Less: Amounts written off .....   | <u>277,733</u>     | <u>264,060</u>     |
|   | 493,492            | 196,245            |
| Deposits with Government Agencies .....   | 20,478             | 20,478             |
| Other Deferred Charges .....  | 31,551             | 22,657             |
|   | <u>545,521</u>     | <u>239,380</u>     |
|   | <u>\$8,295,709</u> | <u>\$7,873,645</u> |

Subject to accompanying report of this date.

McDONALD, NICHOLSON & CO.,  
Chartered Accountants,

Toronto, 23rd February, 1965.

The accompanying Notes form



# Balance Sheet

31st December, 1964

## LIABILITIES

|   | 1964             | 1963           |
|---|------------------|----------------|
| <b>Current Liabilities:</b>                     |                  |                |
| Bank Overdraft .....                            | \$ 50,410        | \$ —           |
| Bank Loan — Secured .....                       | 931,000          | 325,000        |
| Accounts Payable and Accrued Liabilities .....  | 218,135          | 326,522        |
| Wages Accrued .....                             | 34,049           | 36,396         |
| Mining Taxes Accrued .....                      | 41,346           | 39,798         |
| Income Taxes Payable and Accrued (Note 2) ..... | 3,000            | 3,000          |
| Dividend Payable .....                          | 245,724          | 245,724        |
|   | <u>1,523,664</u> | <u>976,440</u> |

## Shareholders' Equity:

|   |                    |                  |
|---|--------------------|------------------|
| Capital Stock (Note 1)                                |                    |                  |
| Authorized 3,750,000 shares of \$1.00 each            | <u>\$3,750,000</u> |                  |
| Issued 3,510,340 shares .....                         | <u>3,510,340</u>   | <u>3,510,340</u> |
| Surplus   |                    |                  |
| Contributed Surplus (No change during the year) ..... | 1,331,809          | 1,331,809        |
| Earned Surplus .....                                  | <u>1,929,896</u>   | <u>2,055,056</u> |
|   | <u>3,261,705</u>   | <u>3,386,865</u> |
| Total Shareholders' Equity .....                      | <u>6,772,045</u>   | <u>6,897,205</u> |

Approved on behalf of the Board:

A. W. WHITE, Director.

F. A. FELL, Director.

|                    |                    |
|--------------------|--------------------|
| <u>\$8,295,709</u> | <u>\$7,873,645</u> |
|--------------------|--------------------|

# DICKENSON MINES LIMITED

## STATEMENT OF OPERATIONS

For the year ended 31st December, 1964

(With a comparative statement for the year ended 31st December, 1963)

|  | 1964              | 1963              |
|--|-------------------|-------------------|
| Bullion Production .....   | \$3,453,365       | \$3,476,071       |
| Less: Marketing Expense .....  | 24,654            | 17,603            |
|  | <u>3,428,711</u>  | <u>3,458,468</u>  |
| <b>Deduct:</b>   |                   |                   |
| Exploration and Development .....  | 508,483           | 582,295           |
| Mining .....   | 1,054,457         | 900,373           |
| Milling .....  | 484,008           | 470,492           |
| Mine General .....   | 352,379           | 340,881           |
| Head Office Administration and General .....   | 159,160           | 127,437           |
| Provision for Tax under the Mining Tax Act, Ontario .....  | 41,371            | 30,500            |
|  | <u>2,599,858</u>  | <u>2,451,978</u>  |
| Profit from Operations before Estimated Income under the Emergency Gold Mining Assistance Act and Provision for Depreciation ..... | 828,853           | 1,006,490         |
| Add: Estimated Income under the Emergency Gold Mining Assistance Act .....   | 242,547           | —                 |
|  | <u>1,071,400</u>  | <u>1,006,490</u>  |
| <b>Deduct:</b> Provision for Depreciation of Buildings, Machinery and Equipment .....  | 214,675           | 207,304           |
|  | <u>856,725</u>    | <u>799,186</u>    |
| <b>Add:</b> Income from Investments .....  | 15,293            | 53,142            |
| (Loss) on Sale of Fixed Assets .....   | (610)             | (5)               |
| (Loss) on Sale of Investments .....  | —                 | (4,317)           |
|  | <u>14,683</u>     | <u>48,820</u>     |
| Profit before write-off of Outside Exploration .....   | 871,408           | 848,006           |
| <b>Deduct:</b> Outside Exploration written off .....   | 13,673            | 21,082            |
| <b>NET PROFIT</b> for the year .....   | <u>\$ 857,735</u> | <u>\$ 826,924</u> |

The accompanying Notes form an integral part of this Statement.

## STATEMENT OF EARNED SURPLUS

For the year ended 31st December, 1964

(With a comparative statement for the year ended 31st December, 1963)

|  | 1964               | 1963               |
|--|--------------------|--------------------|
| Balance at beginning of year .....                               | \$2,055,056        | \$2,861,699        |
| <b>Add:</b>  |                    |                    |
| Net Profit for the year .....                                    | 857,735            | 826,924            |
|  | <u>2,912,791</u>   | <u>3,688,623</u>   |
| <b>Deduct:</b>   |                    |                    |
| Dividends declared .....   | 982,895            | 912,688            |
| Preproduction Expenses incurred prior to 1963, written off ..... | —                  | 720,879            |
|  | <u>982,895</u>     | <u>1,633,567</u>   |
| <b>Balance</b> at end of year .....                              | <u>\$1,929,896</u> | <u>\$2,055,056</u> |

The accompanying Notes form an integral part of this Statement.



# DICKENSON MINES LIMITED

## SUMMARY OF INVESTMENTS AND INTERESTS IN AFFILIATED COMPANIES

31st December, 1964

(With comparative balances at 31st December, 1963)

|   | BOOK VALUE         |                    |
|---|--------------------|--------------------|
|   | 1964               | 1963               |
| <b>Investments:</b>   |                    |                    |
| Listed Shares, at cost (Quoted Market Value \$512,492)<br>(\$537,662 in 1963) .....                       | \$ 454,841         | \$ 499,497         |
| Other Shares and Securities, at cost less Reserve (at cost in 1963) .....                                 | 1,264,043          | 1,348,158          |
|   | <u>\$1,718,884</u> | <u>\$1,847,655</u> |
| <b>Interest in Affiliated Companies:</b>  |                    |                    |
| Shares and Securities, at cost less Reserve   |                    |                    |
| Listed Shares   |                    |                    |
| Violamac Mines Limited, 1,834,099 shares<br>(Quoted Market Value \$4,805,339) (\$5,080,454 in 1963) ..... | \$2,361,009        | \$2,361,009        |
| Other Listed Shares (Quoted Market Value \$331,542)<br>(\$151,905 in 1963) .....                          | 425,728            | 202,465            |
| Other Shares and Securities .....   | 903,742            | 952,848            |
|   | <u>\$3,690,479</u> | <u>\$3,516,322</u> |
| Advances, less Reserve .....  | 158,032            | 367,497            |
|   | <u>\$3,848,511</u> | <u>\$3,883,819</u> |

The accompanying Notes form an integral part of this Statement.

## STATEMENT OF SOURCE AND DISPOSITION OF FUNDS

For the year ended 31st December, 1964

(With a comparative statement for the year ended 31st December, 1963)

|   | 1964               | 1963               |
|---|--------------------|--------------------|
| <b>Source of Funds:</b>   |                    |                    |
| Operations .....  | \$ 857,735         | \$ 826,924         |
| <b>Add:</b> Charges to operations which in themselves did not require an<br>outlay of funds during the year |                    |                    |
| Provision for Depreciation .....  | 214,675            | 207,304            |
| Outside Exploration written off .....   | 13,673             | 21,082             |
|   | <u>1,086,083</u>   | <u>1,055,310</u>   |
| Security Sales (Net) .....  | 219,434            | —                  |
| Decrease in Stores and Supplies .....   | —                  | 25,952             |
| Decrease in Working Capital .....   | 312,071            | 758,767            |
| <b>Total</b> .....  | <u>\$1,617,588</u> | <u>\$1,840,029</u> |
| <b>Disposition of Funds:</b>  |                    |                    |
| Dividends .....   | \$ 982,895         | \$ 912,688         |
| Outside Exploration .....   | 362,098            | 78,191             |
| Fixed Asset Additions (Net) .....   | 248,955            | 387,271            |
| Security Purchases (Net) .....  | —                  | 337,161            |
| Increase in Stores and Supplies .....   | 14,746             | —                  |
| Increase in Deferred Charges .....  | 8,894              | —                  |
| Advances to Affiliates .....  | —                  | 124,718            |
| <b>Total</b> .....  | <u>\$1,617,588</u> | <u>\$1,840,029</u> |

The accompanying Notes form an integral part of this Statement.

# DICKENSON MINES LIMITED

## NOTES TO FINANCIAL STATEMENTS

31st December, 1964

### 1. EMPLOYEES' STOCK OPTION

During the year ended 31st December, 1964, Options were granted to certain employees, which, if exercised, would permit them to purchase 39,660 shares of the Company's capital stock at a price of \$4.75 per share up to 30th June, 1967.

### 2. INCOME TAXES

Amounts claimed for Income Tax purposes in 1964 in respect of depreciation, development expenditures and other charges exceed the amounts recorded in the Company's accounts by approximately \$858,000; accordingly, no provision has been made for taxes on income for the current year. Net Profit may be affected at some future time should the amounts claimed for Tax purposes become less than the amounts then recorded in the accounts.

### 3. DIRECTORS' REMUNERATION

The total remuneration of Directors, as such, for each of the years 1964 and 1963 was \$7,000.

### 4. CONTINGENT LIABILITIES

The Company has commenced a program of internal shaft sinking, the total cost of which is estimated at approximately \$1,225,000. As at 31st December, 1964 contracts for necessary equipment in this regard had been let in the amount of \$185,000 of which \$18,500 was paid at that date and has been carried forward as a deferred charge.

### 5. SUBSIDIARY COMPANIES

The accounts of Duchesne Red Lake Mines Limited, Jameland Mines Limited and Kenwest Mines Limited have not been consolidated with those of the Company as the Subsidiaries are developing their properties and expenditures since acquisition of control have been deferred to future operations.

### 6. RECLASSIFICATION OF ACCOUNTS

Prepaid expenses have been presented as a current asset in 1964; for comparative purposes the 1963 balances have been reclassified to give effect to this change. The change has also been reflected in the Statement of Source and Disposition of Funds.



## GENERAL MANAGER'S REPORT



F. A. FELL

The President and Directors,  
Dickenson Mines Limited,  
416 - 25 Adelaide Street West,  
TORONTO, Ontario.

Dear Sirs:

This report covering the operations of your Company for the year 1964 is respectfully submitted.

### PRODUCTION

177,874 tons of ore were milled yielding 91,244.408 fine ounces of gold and 7,006.64 fine ounces of silver. The total value of this bullion was \$3,453,000 or a recovery of \$19.41 per ton milled. In addition, benefit received and receivable under the Emergency Gold Mining Assistance Act is estimated to be \$242,547 or \$2.658 per ounce of gold.

Your Company qualified for Emergency Gold Mining Assistance for the year and gold produced was sold to the Royal Canadian Mint. The average value received from the Mint was \$37.74 per ounce for gold, and \$1.39 per ounce for silver.

To date the mine has produced 1,085,152.322 ounces of gold and 93,623.63 ounces of silver with a total value of \$38,416,162 for an average value received from the Mint and the Bank of Nova Scotia of \$35.32 per ounce of gold and 98.1¢ per ounce of silver; total tons milled amount to 2,216,259 for a recovery of 0.49 ounces of gold per ton.

### ANALYSIS OF OPERATING COSTS

|                                   |                    | 1964              |                 | 1963            |
|-----------------------------------|--------------------|-------------------|-----------------|-----------------|
|                                   | Total              | Per<br>Ton Milled | Per<br>Ounce    | Per<br>Ounce    |
| Shaft Sinking (#2 Shaft) .....    | \$ 67,721          | \$ .38            | \$ .74          | \$ .31          |
| Exploration and Development ..... | 440,762            | 2.48              | 4.83            | 6.04            |
| Mining .....                      | 1,054,457          | 5.93              | 11.56           | 9.82            |
| Milling .....                     | 484,008            | 2.72              | 5.31            | 5.13            |
| Mine General Expense .....        | 352,379            | 1.98              | 3.86            | 3.72            |
| Head Office Expense .....         | 159,160            | .89               | 1.74            | 1.39            |
| Marketing Charges .....           | 24,654             | .14               | .27             | .19             |
|                                   | <u>\$2,583,141</u> | <u>\$ 14.52</u>   | <u>\$ 28.31</u> | <u>\$ 26.60</u> |

## MINING

Broken ore totalling 103,095 tons remained in the stopes, a decrease of 11,064 tons from the previous year. Also 1,867 tons remained in ore bins and ore passes at year's end.

Of the 177,559 tons of ore hoisted 21,632 tons grading 0.402 ounces per ton were obtained from development and 155,927 tons grading 0.567 ounces per ton were obtained from stoping and stope preparation.

Stoping operations were carried on in the North "C", South "C", East South "C", "D", "F", and "H" zones on the upper nineteen levels. Of the total ore hoisted, the percentages from the zones were — North "C" 5.6%, South "C" 18.0%, East South "C" 49.7%, "D" 5.4%, "F" 13.2%, "H" 7.3%, miscellaneous ("I" and Robin) 0.8%.

At year's end eleven stopes were operating as cut and fill stopes and five were shrinkage. Most new stopes are being prepared for cut and fill. Tons broken per rock drill shift in stopes and back stopes were 41.1 compared to 41.8 in 1963. The average stope width was 6.1 feet compared to 6.7 feet the previous year.

## EXPLORATION AND DEVELOPMENT

The following is a summary of the development footages completed to the end of 1964 with the previous two years given as a comparison:

|                       | 1964   | 1963   | 1962   | To date |
|-----------------------|--------|--------|--------|---------|
| Shaft #1 .....        | —      | —      | —      | 3,589   |
| Station Cutting ..... | —      | —      | —      | 1,245   |
| Drifting .....        | 6,876  | 5,001  | 5,642  | 76,603  |
| Crosscutting .....    | 2,525  | 6,918  | 6,326  | 59,627  |
| Raising .....         | 2,230  | 3,192  | 2,817  | 38,835  |
| Ore Passes .....      | —      | 904    | 259    | 4,054   |
| Waste Passes .....    | —      | —      | 610    | 3,285   |
| Slashing .....        | 1,883  | 1,052  | 949    | 17,245  |
| Diamond Drilling:     |        |        |        |         |
| Surface .....         | —      | —      | 5,911  | 60,306  |
| Underground .....     | 50,507 | 54,295 | 66,847 | 687,526 |

### #2 SHAFT PREPARATION AT THE 23 LEVEL (3365)

|   | Lineal Advance | Slashing |
|---|----------------|----------|
| #2 Shaft (Raising 23rd to 22nd level) ..... | 39             | —        |
| #2 Shaft crosscut .....                     | 470            | 23       |
| #2 Shaft haulage crosscut .....             | 589            | 20       |
| #2 Shaft hoistroom crosscut .....           | 70             | 20       |
| #2 Shaft hoistroom .....                    | 70             | 161      |
| #2 Shaft transformer station .....          | 17             | —        |
| #2 Shaft Station (23rd level) .....         | 64             | 131      |



**Developments of major interest** — Reference can be made to the map at the back of this report to obtain the relative locations of the ore zones mentioned here and the vertical depth of the levels below surface.

(1) The site of the No. 2 shaft (internal) has been established on the twenty-third level (3,365 feet below surface) at a point 2,960 feet southwest of the No. 1 shaft (surface) or a haulage distance between shafts of 3,340 feet. Work to prepare the No. 2 shaft site, consisting of service crosscuts, shaft station, head frame, hoist room, cable raise, ore and waste bins, etc., was started in July 1964 preparatory to the start of sinking the No. 2 shaft in November, 1965, for a depth of 1,250 feet. The preparation work done in 1964 is listed above. All crosscuts are completed.

(2) Development of the East South "C" zone was completed to and including the nineteenth level and is continuing on the twentieth, twenty-first, twenty-second, and twenty-third levels. The "F" zone development was completed on the twentieth and twenty-first levels. The "H" zone has been located by diamond drilling on the eighteenth level.

#### ORE DEVELOPED BY DRIFTING

| Zone                    | Lineal<br>Feet | Ounces/<br>Ton | Width<br>Feet | Level                  |
|-------------------------|----------------|----------------|---------------|------------------------|
| East South "C" .....    | 1,037          | 0.583          | 6.5           | 15, 16, 18, 20, 21, 22 |
| "F" .....               | 147            | 0.454          | 6.2           | 20                     |
| Total and Average ..... | <u>1,184</u>   | <u>0.568</u>   | <u>6.5</u>    |                        |

#### REMARKS ON ORE ZONES

North "C" — ore remnants continue to be developed and mined in this zone.

South "C" — the known ore on the first seventeen levels is completely developed with mining continuing from the seventeenth to sixth levels. Some ore has been indicated in this zone by diamond drilling at the eighteenth level.

East South "C" — development of the known ore is completed in this zone down to and including the nineteenth level to the west Robin boundary. Development is in progress on the twentieth, twenty-first, twenty-second, and twenty-third levels which are 869 feet, 1,076 feet, 427 feet and no feet respectively from the west Robin boundary. Stopping and stope preparation are being carried out from the nineteenth level up to the fifteenth level.

"F" — the known ore in the "F" zone has been developed from the fifteenth to twentieth levels. No "F" zone ore has been located at the twenty-first level on its down dip projection. Mining is in progress from the nineteenth to fifteenth levels.

"D" — there is ore to be mined in this zone above the eighth and fifteenth levels. Diamond drilling indicates that there are some lenses of ore in this zone to be developed at the sixteenth and seventeenth levels.

"H" — development of this zone has been completed on the thirteenth, fifteenth, sixteenth, seventeenth, and nineteenth levels. Diamond drilling has located this zone, at the eighteenth level.

Development has indicated sizeable bodies of moderate grade ore to be mineable at the fifteenth and seventeenth levels. One stope is in operation above the seventeenth level.

"E" — a small tonnage of mineable ore remains in this zone and further development is warranted.

"B", "G", "I" — no quantity of mineable ore has been found in these zones to date. No development or mining is being done in these zones.

### ORE RESERVES

At December 31, 1964, positive ore reserves, broken and in place, were calculated to be 589,230 tons having an average grade of 0.538 ounces of gold per ton. This compares with 591,369 tons grading 0.507 ounces per ton at December 31, 1963. The distribution of ore is as follows:

|       |            | Tons           | Grade        |
|-------|------------|----------------|--------------|
| Above | 1st Level  | 17,030         | 0.52         |
| "     | 2nd Level  | 11,026         | 0.64         |
| "     | 3rd Level  | 24,522         | 0.67         |
| "     | 4th Level  | 1,393          | 0.40         |
| "     | 5th Level  | 10,507         | 0.37         |
| "     | 6th Level  | 17,005         | 0.38         |
| "     | 7th Level  | 15,333         | 0.45         |
| "     | 8th Level  | 16,912         | 0.50         |
| "     | 9th Level  | 13,641         | 0.47         |
| "     | 10th Level | 14,409         | 0.55         |
| "     | 11th Level | 2,403          | 0.45         |
| "     | 12th Level | 7,377          | 0.66         |
| "     | 13th Level | 4,727          | 0.66         |
| "     | 14th Level | 11,763         | 0.56         |
| "     | 15th Level | 21,993         | 0.40         |
| "     | 16th Level | 62,996         | 0.55         |
| "     | 17th Level | 137,775        | 0.50         |
| "     | 18th Level | 102,302        | 0.56         |
| "     | 19th Level | 57,322         | 0.56         |
| "     | 20th Level | 22,709         | 0.59         |
| "     | 21st Level | 11,500         | 0.58         |
| "     | 22nd Level | 4,222          | 0.48         |
| "     | 23rd Level | 363            | 0.14         |
|       |            | <u>589,230</u> | <u>0.538</u> |

(All high assays cut to 2.00 ounces)

#### Positive Ore Reserves by Zones:

| Zone           | Tons           | Grade        | Percentage   |
|----------------|----------------|--------------|--------------|
| North "C"      | 93,386         | 0.545        | 15.9         |
| South "C"      | 99,962         | 0.561        | 17.0         |
| East South "C" | 210,000        | 0.583        | 35.6         |
| "F"            | 71,770         | 0.584        | 12.2         |
| "H"            | 93,153         | 0.388        | 15.8         |
| "D"            | 14,813         | 0.491        | 2.5          |
| "E"            | 5,310          | 0.459        | 0.9          |
| "I"            | 836            | 0.420        | 0.1          |
|                | <u>589,230</u> | <u>0.538</u> | <u>100.0</u> |



## MILLING

Summary of Mill Operations with the previous year given as comparison.

|  | 1964    | 1963    |
|--|---------|---------|
| Tons treated .....                                       | 177,874 | 178,527 |
| Percent operating time .....                             | 98.92   | 99.10   |
| Tons treated per day .....                               | 486.0   | 489.1   |
| Average value mill heads in ounces of gold per ton ..... | 0.560   | 0.554   |
| Assay of mill tails in ounces of gold per ton .....      | 0.047   | 0.040   |
| Recovery in ounces of gold per ton .....                 | 0.513   | 0.514   |
| Percent Recovery .....                                   | 91.7    | 92.7    |

## EXPLORATION DEPARTMENT

The efforts in this department have mainly been concentrated on properties in Northwestern Ontario and primarily at Red Lake. Properties have also been submitted for our consideration from Arizona, Colorado and various provinces throughout Canada.

During the year a total of 24 gold, 4 copper-zinc, 2 nickel-copper, 1 iron and 3 silver-zinc properties were examined and reported on. Three groups totalling 46 claims were staked and two groups totalling 20 claims were optioned. At year end a total of 142 claims in 15 groups were held in the Red Lake District by your Company.

A total of 1,956' of diamond drilling in 6 holes was completed on Red Lake optioned properties. Geological conditions were encouraging and additional work has been planned for the coming year.

Your Company also participated with Starratt Nickel Mines Ltd., in diamond drilling their Red Lake property. A total of 14 holes were completed for a footage of 7,037.70 feet. Gold values were obtained from this drilling and further work is being considered.

## CAPITAL EXPENDITURES

Capital expenditures for the year amounted to \$274,777.17 and included the following as the major items:

### Surface

- 32' x 40' steel frame addition to compressor house
- 1 — 29'.5 x 52' frame bunkhouse
- 1 — Used C.I.R. XVHE-2 compressor complete with 600 H.P., 2,300 volt motor
- 1 — Used English Electric transformer, 2,000 KVA, 44,000 volts to 2,300 volts
- 1 — Peck and Harvey Speedmaster model 1400 CT copymation white printer
- 1 — Minecom slack rope alarm system — S731D412 for 110 K.C.

### Underground

- 1 — Dorr-Oliver Long 10' Zimmerman timber car
- 1 — Atlas type "K" underground locomotive
- 2 — Powertronic type 617 silicon mine loco chargers
- 1 — No. M14 Wilden submersible diaphragm sump pump
- 1 — 30" Joy Amsco scrapers
- 2 — Pillman model IF — 10 H.P. slusher hoists
- 12 — Hudson side dump muck cars — 52 cu. ft.

### GENERAL

Operating costs at the mine are up \$0.68 per ton milled as compared with 1963. Exploration and Development costs were down \$0.40 but mining costs increased by \$0.89 per ton, mainly due to more stoping by cut-and-fill methods. In addition, wages were increased by 5 cents per hour plus fringe benefits equivalent to 2 cents per hour effective April 16, 1964.

The operating force at year end, including staff but not part-time students or diamond drillers was 284.

A two year agreement, effective April 14, 1964, was signed with Local 1003 of the International Union of Mine, Mill and Smelter Workers, bargaining agent for Dickenson employees.

In Balmertown townsite, new construction included: a two room addition to Balmertown Public School; two two-family dwellings by Campbell Mines; two dwellings by Dickenson Mines; one dwelling by an employee aided by Dickenson; three private dwellings; and work started on the Balmer Motor Hotel together with a dwelling to house the hotel manager. Twenty three lots were serviced in the townsite. A nine hole golf course, adjacent to the townsite, was eighty per cent completed with six holes in use.

The paving of highway 105 was completed to fourteen miles south of Ear Falls. Two rooms were added to the Red Lake District High School, one for Home Economics, the other for Manual Training.

Weight of supplies delivered to the property:

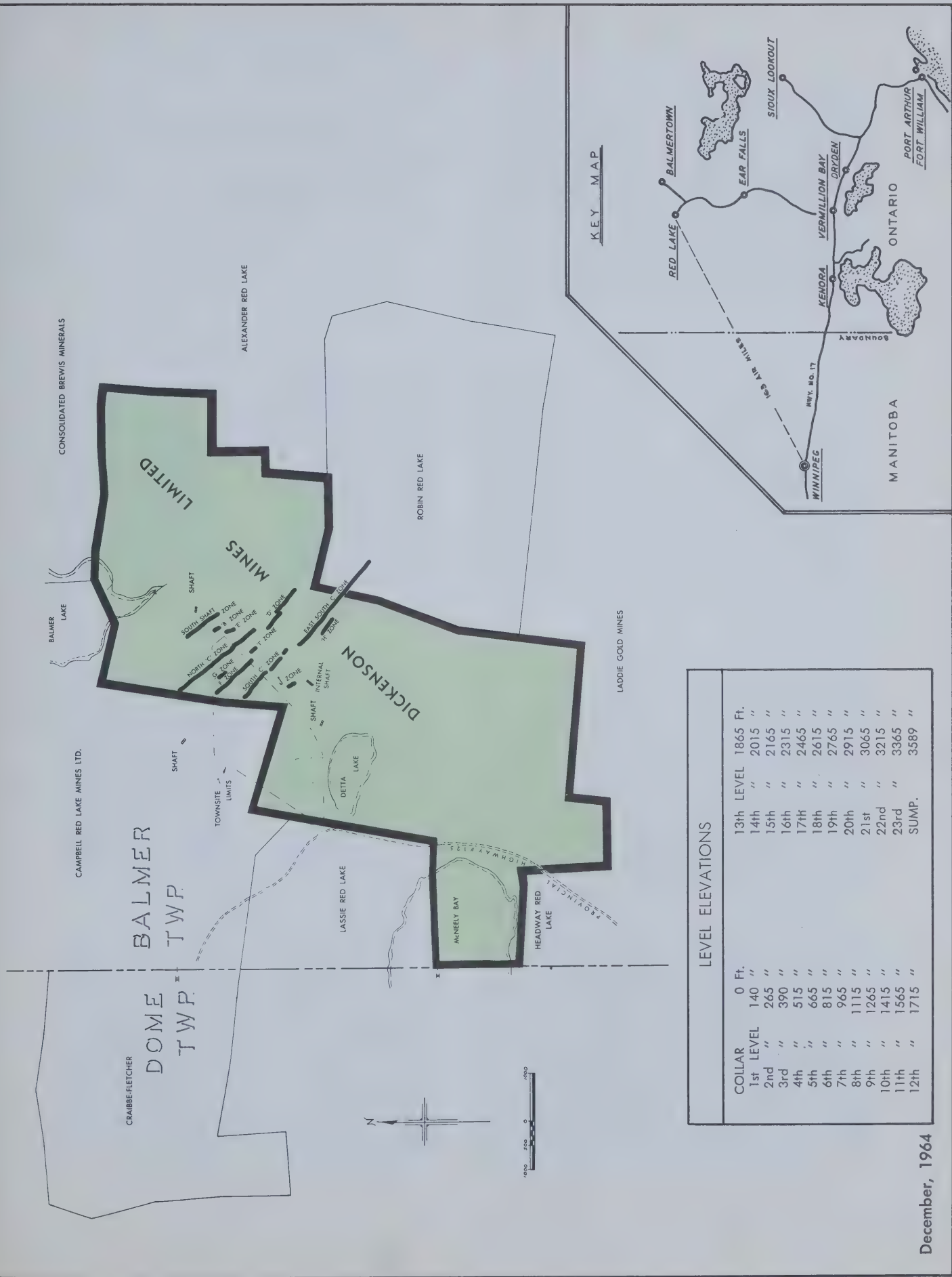
|   |                   |
|---|-------------------|
| From local sources, (mainly timber, gravel, oils, and greases) .....                            | 4,864 tons        |
| From outside sources, (chemicals, steel, cookery supplies and capital equipment) .....          | 1,107 tons        |
| From outside sources, through direct trucking (explosives, mill liners, mill balls, rail) ..... | 455 tons          |
| Total .....   | <u>6,426 tons</u> |

In conclusion I wish to take this opportunity to thank you for your guidance and support and to express my appreciation to the Department Heads and the employees generally for their co-operation.

Yours very truly,

F. A. FELL,  
General Manager.

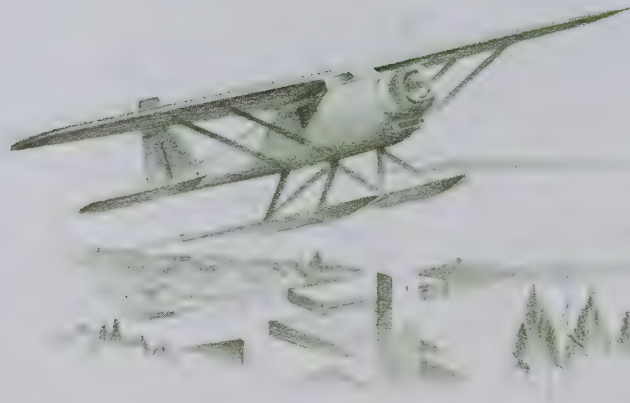




## FINANCIAL HIGHLIGHTS

For the period January 1, 1949 to December 31, 1964

|   |              |
|---|--------------|
| Total revenue from all sources .....                                    | \$40,317,000 |
| Total cost before depreciation and amortization .....                   | 25,842,000   |
| Additional funds received from the issue of shares and bonds .....      | 1,895,000    |
| Re-invested in capital assets .....                                     | 5,505,000    |
| Purchases of securities (net) .....                                     | 4,580,000    |
| Expenditures re examination and acquisition of outside properties ..... | 1,146,000    |
| Redemption of \$1,500,000 par value bonds .....                         | 1,438,000    |
| Distribution to shareholders .....                                      | 5,759,000    |

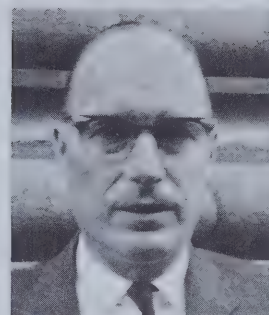




# DICKENSON MANAGEMENT STAFF



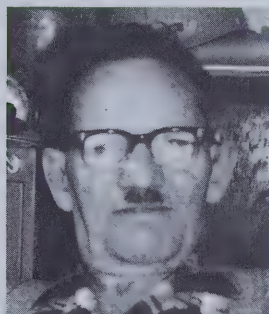
J. GILLIS  
Mine Manager



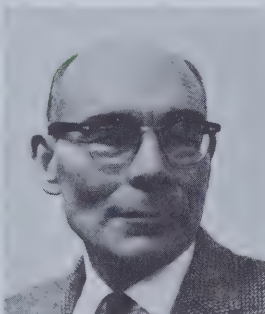
E. CRULL  
Chief Engineer



D. C. RANCE  
Assistant Mine Manager



W. D. McKINLEY  
Mill Superintendent



J. ROBERTSON  
Office Superintendent



J. JACKSON  
Master Mechanic



H. A. McEWEN  
Chief Electrician



J. W. NICHOL  
Chief Accountant



E. E. PINE  
Purchasing Agent



DON BUCHHOLZ  
Chief Geologist



C. C. HUSTON  
Field Superintendent



W. M. PARRY  
Mine Superintendent



J. R. FORTIER  
Surface Superintendent

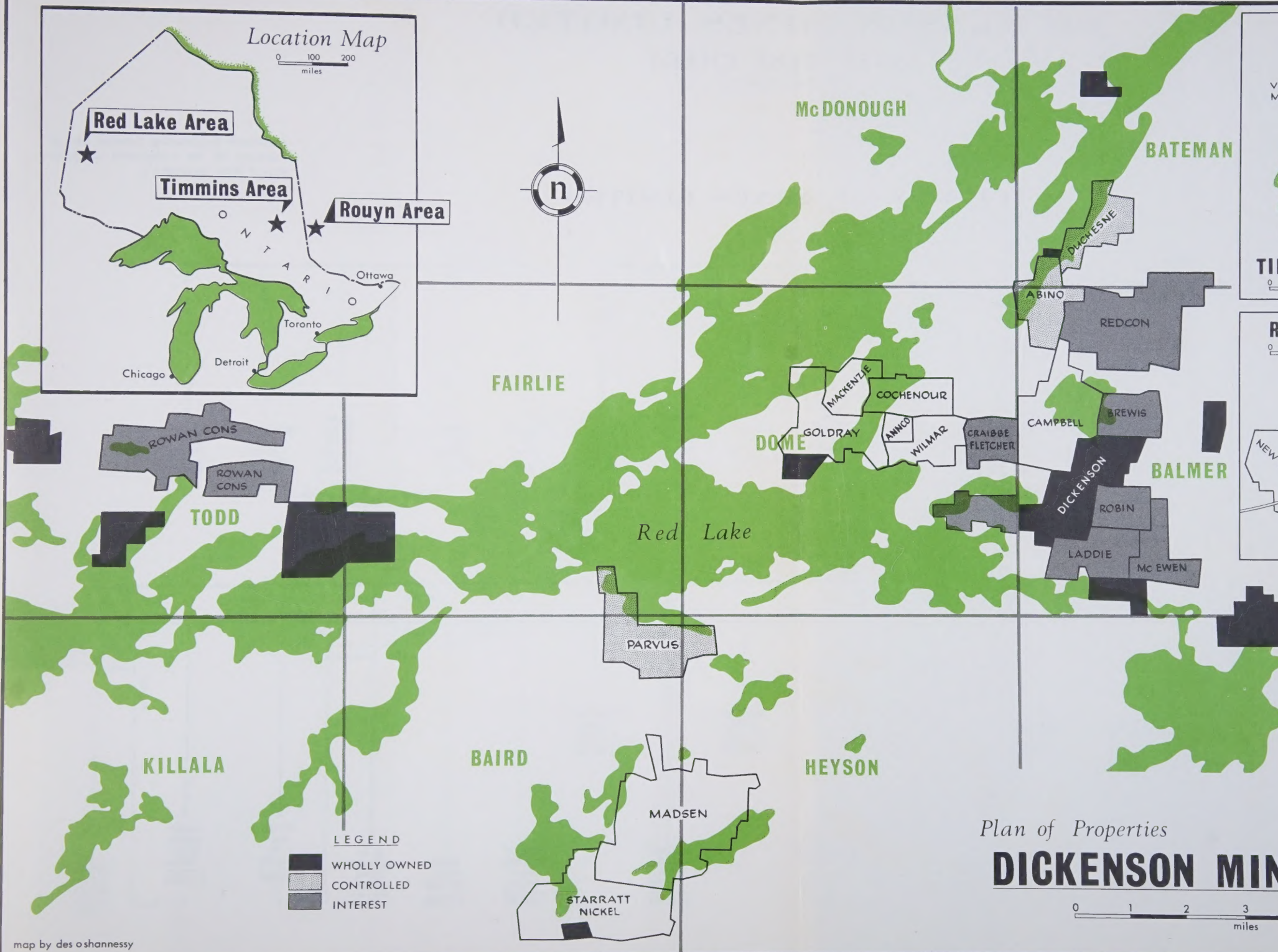
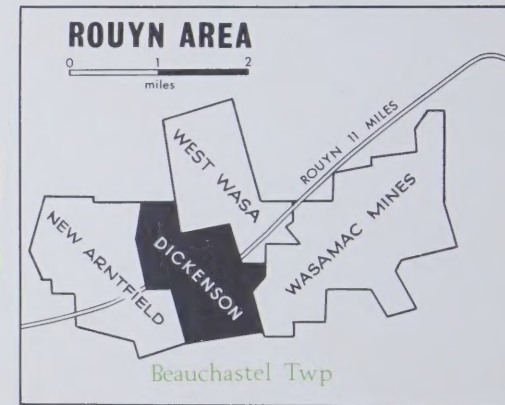
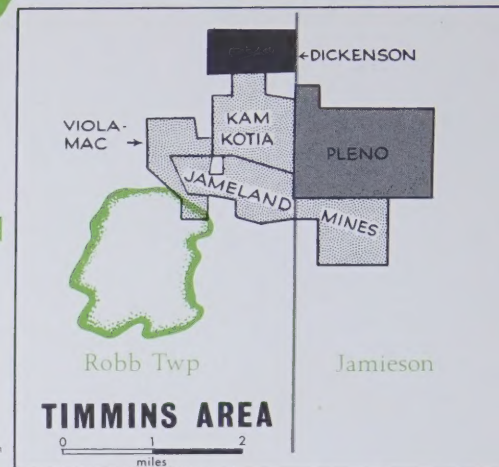
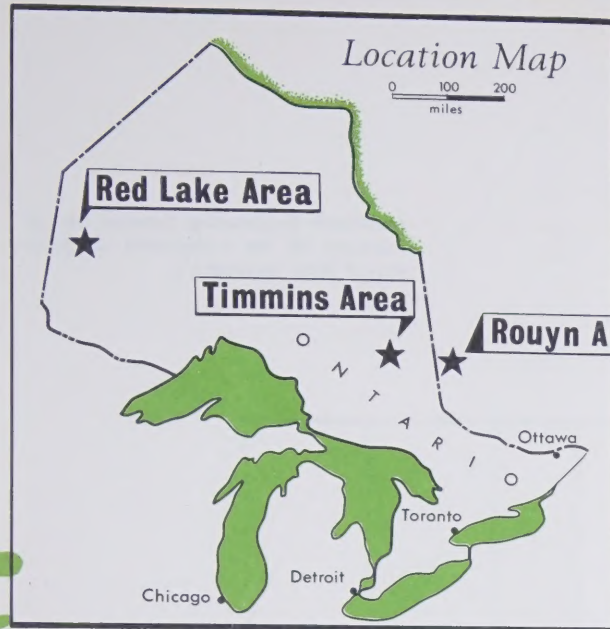


G. GREGOIRE  
Chief Assayer

## **ANNUAL MEETING**

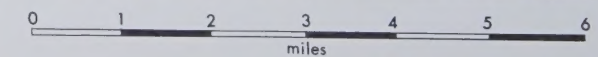
10:30 A.M., MAY 26, 1965  
Quebec Room, Royal York Hotel  
Toronto, Ontario





*Plan of Properties*

**DICKENSON MINES LIMITED**





# DICKENSON MINES LIMITED

## INVESTMENT CHART

(PRINCIPAL HOLDINGS)

### EXAMPLE

20.6% shares held ÷ shares issued  
491,201 shares held

2,379,581 shares issued

Mid-North Engineering Services Limited manages all the undernoted companies except those marked (\*).

